

## **1210.17 Returned Checks**

Issued January 1, 1994

SUBJECT: Returned Checks.

APPLICATION: Executive Branch Departments and Sub-units.

PURPOSE: To provide guidelines for prompt disposition of returned checks.

CONTACT AGENCY: Department of Treasury - Bureau of Management Services, Receipts Processing Division.

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SUMMARY: Returned checks are sent by commercial banks to Treasury, Receipts Processing Division.

APPLICABLE FORMS: A-2, Request for Journal Voucher (JV).  
A-29, Receipts Voucher (RV).

### **PROCEDURES:**

#### **Treasury, Receipts Processing Division:**

- Receives checks returned from various commercial banks as unbankable.
- Sorts checks numerically for charge to agency for non-sufficient funds (NSF), account closed, stale date, etc., or prepares deposit slip for uncollected funds; checks presented only one time with the bank, unsigned, etc., to the Central Bank Account of National Bank of Detroit (NBD).
- Prepares carbon tape to list checks for each agency individually.
- Accesses JV return item file on personal computer (PC).
- Prepares Daily JV for Returned Checks.
  - Enters each agency according to account number on PC (EXAMPLES 1 and 2).
- Prepares Form A-2, JV (EXAMPLE 4) entering total per fund on the PC (EXAMPLE 3).
- Mails copy of Daily JV for Returned Checks along with returned checks to appropriate agencies.
- Mails copy of Daily JV for Returned Checks along with the JV to DMB, Office of Financial Management (OFM) (EXAMPLES 1, 2 and 4) for JV processing and distribution by OFM.

#### **Agency:**

- Maintains log of checks returned by Treasury.
  - Enters on log:
    - Amount and date of each check.
    - Date check is received.
    - Name of check's maker.
    - Form A-29, RV number on which the check was deposited.
    - Account number if known.
- Retains returned checks.

- Attempts collection of returned checks for a period not to exceed 60 days.
- If collection is made, prepares RV (EXAMPLE 5) per Financial Management Information System (FMIS) manual 2.13.
  - Credits returned check suspense account reserved for your agency.
- If collection is not made within 60 days, transmits check to Treasury, Bureau of Collections.
  - Transmittal must explain collection efforts made during this time and any pertinent information.
  - Prepares JV (EXAMPLE 6) to write-off returned checks:
    - Debits account number to which check was originally credited.
    - Credits returned check suspense account number reserved for your agency.
  - Forwards JV to OFM.
  - Records JV number and posting date on returned checks ledger; files copy of the JV.

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Distribution Date: 1-6-97  
Procedure 1210.17